



Global PCs

Industry Profile

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EXECUTIVE SUMMARY

Market Value

The global PCs market grew by 6.6% in 2008 to reach a value of \$203.7 billion.

Market Value Forecast

In 2013, the global PCs market is forecast to have a value of \$260.9 billion, an increase of 28.1% since 2008.

Market Volume

The global PCs market grew by 7.7% in 2008 to reach a volume of 227.8 million units.

Market Volume Forecast

In 2013, the global PCs market is forecast to have a volume of 309.8 million units, an increase of 36% since 2008.

Market Segmentation I

Desktop PCs forms the largest segment of the global PCs market, generating 56.8% of the total volume.

Market Segmentation II

Europe accounts for 37.3% of the global PCs market's revenue.

Market Share

HP accounts for 18.4% of the global PCs market's volume.

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CHAPTER 1 MARKET OVERVIEW

1.1 Market Definition

The personal computers (PCs) market consists of the sale of both desktop and mobile PCs. Desktop PC is a personal computer in a form intended for regular use at a single location. Mobile PCs represent portable personal computers including laptops, notebooks, netbooks and tablet PCs. This industry profile only covers sales of PCs through retail channel. Market values are calculated at retail selling price (RSP) and include all applicable taxes. Any currency conversions used in the creation of this report have been calculated using annual average exchange rates.

For the purpose of this report the global figure is deemed to comprise of the Americas, Asia-Pacific and Europe.

The Americas comprises Argentina, Brazil, Canada, Chile, Colombia, Mexico, Venezuela, and the US.

Europe comprises Belgium, the Czech Republic, Denmark, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Romania, Russia, Spain, Sweden, the Ukraine and the United Kingdom.

Asia-Pacific comprises Australia, China, Japan, India, Singapore, South Korea and Taiwan.

1.2 Research Highlights

The global PC market generated total revenues of \$203.7 billion in 2008, representing a compound annual growth rate (CAGR) of 8% for the period spanning 2004-2008.

Desktop PCs formed 56.8% of the global PC market's volume in 2008, with 129.5 million sold.

The performance of the market is forecast to decelerate, with an anticipated CAGR of 5.1% for the five-year period 2008-2013, which is expected to drive the market to a value of \$260.9 billion by the end of 2013.

1.3 Market Analysis

Having displayed strong growth in recent years the global PC market is set to experience a sharp slowdown in 2009. Forecasts anticipate that the market will largely recover the subsequent year and return to healthy yet reduced rates in the years approaching 2013.

The global PC market generated total revenues of \$203.7 billion in 2008, representing a compound annual growth rate (CAGR) of 8% for the period spanning 2004-2008. In comparison, the Americas and European markets grew with CAGRs of 7.5% and 9.1%, respectively, over the same period, to reach respective values of \$75.6 billion and \$75.9 billion in 2008.

Market consumption volumes increased with a CAGR of 10.6% between 2004-2008, to reach a total of 227.8 million PCs in 2008. The market's volume is expected to rise to 309.8 million PCs by the end of 2013, representing a CAGR of 6.3% for the 2008-2013 period.

Desktop PCs formed 56.8% of the global PC market's volume in 2008, with 129.5 million sold. In comparison, 98.4 million of mobile PCs were sold, equating to 43.2% of the market's overall volume.

The performance of the market is forecast to decelerate, with an anticipated CAGR of 5.1% for the five-year period 2008-2013, which is expected to drive the market to a value of \$260.9 billion by the end of 2013. Comparatively, the Americas and European markets will grow with CAGRs of 4.8% and 4.4%, respectively, over the same period, to reach respective values of \$95.6 billion and \$94.4 billion in 2013.

CHAPTER 2 MARKET VALUE

The global PCs market grew by 6.6% in 2008 to reach a value of \$203.7 billion.

The compound annual growth rate of the market in the period 2004-2008 was 8%.

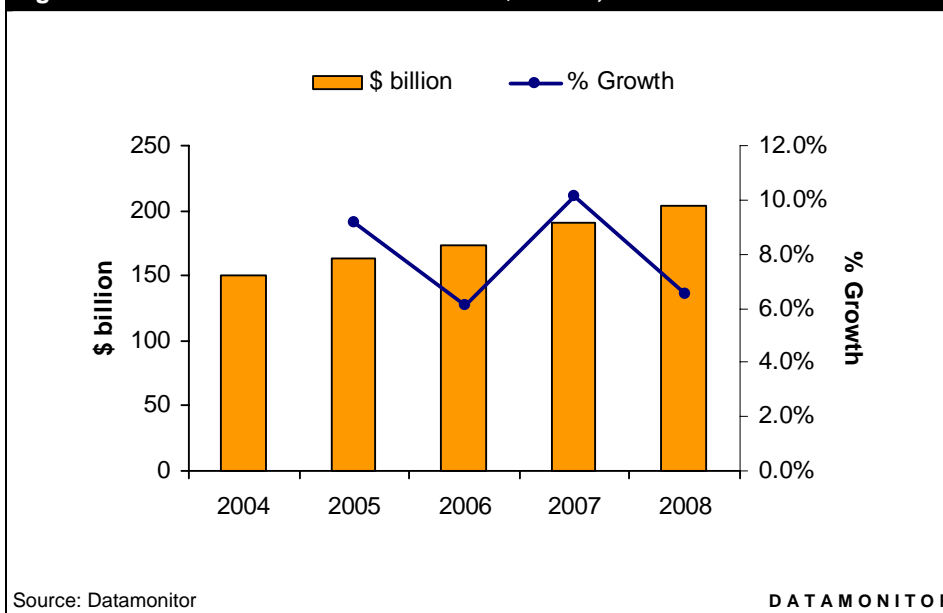
Table 1: Global PCs Market Value: \$ billion, 2004-2008

Year	\$ billion	% Growth
2004	149.9	
2005	163.6	9.10%
2006	173.6	6.10%
2007	191.2	10.10%
2008	203.7	6.60%
CAGR, 2004-2008:		8.0%

Source: Datamonitor

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Figure 1: Global PCs Market Value: \$ billion, 2004-2008



CHAPTER 3 MARKET VOLUME

The global PCs market grew by 7.7% in 2008 to reach a volume of 227.8 million units.

The compound annual growth rate of the market volume in the period 2004-2008 was 10.6%.

Table 2: Global PCs Market Volume: Units million, 2004-2008

Year	Units million	% Growth
2004	152.3	
2005	172.0	12.90%
2006	187.4	9.00%
2007	211.5	12.90%
2008	227.8	7.70%

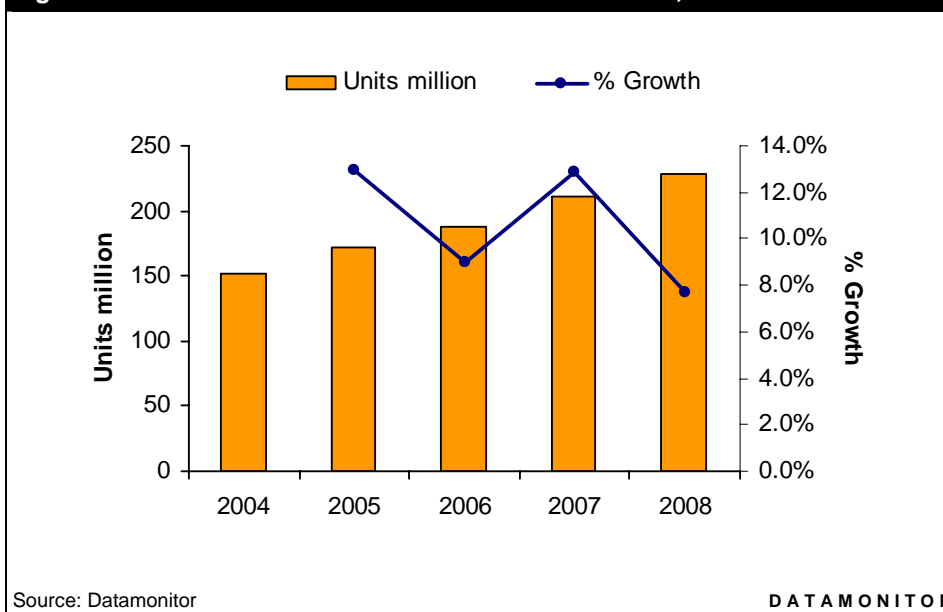
CAGR, 2004-2008:

10.6%

Source: Datamonitor

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Figure 2: Global PCs Market Volume: Units million, 2004-2008



CHAPTER 4 MARKET SEGMENTATION I

Desktop PCs form the largest segment of the global PCs market, generating 56.8% of the total volume.

Mobile PCs account for the remaining 43.2% of the market's volume.

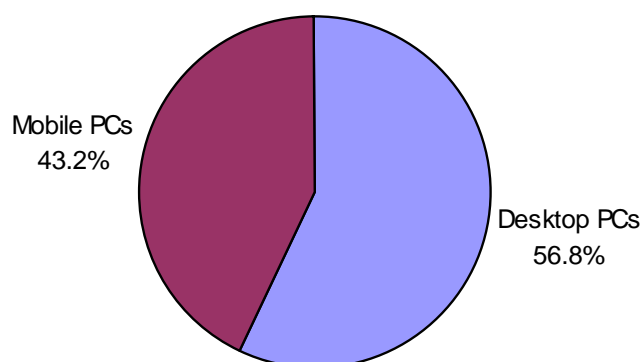
Table 3: Global PCs Market Segmentation I: % Share, by Volume, 2008

Category	% Share
Desktop PCs	56.80%
Mobile PCs	43.20%
Total	100.0%

Source: Datamonitor

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Figure 3: Global PCs Market Segmentation I: % Share, by Volume, 2008



Source: Datamonitor

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CHAPTER 5 MARKET SEGMENTATION II

Europe accounts for 37.3% of the global PCs market's revenue.

In comparison, Americas accounts for a further 37.1% of the market's revenue.

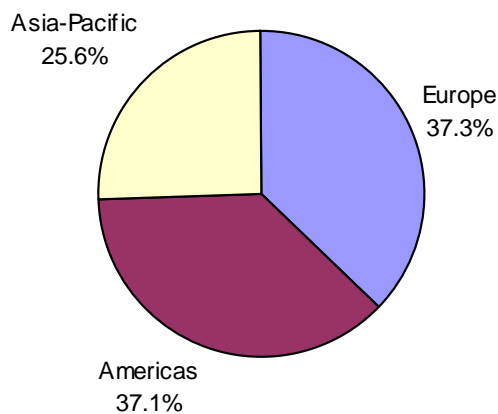
Table 4: Global PCs Market Segmentation II: % Share, by Value, 2008

Geography	% Share
Europe	37.30%
Americas	37.10%
Asia-Pacific	25.60%
Total	100.0%

Source: Datamonitor

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Figure 4: Global PCs Market Segmentation II: % Share, by Value, 2008



Source: Datamonitor

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CHAPTER 6 MARKET SHARE

HP accounts for 18.4% of the global PCs market's volume.

Dell generates a further 14.3% of the market's volume.

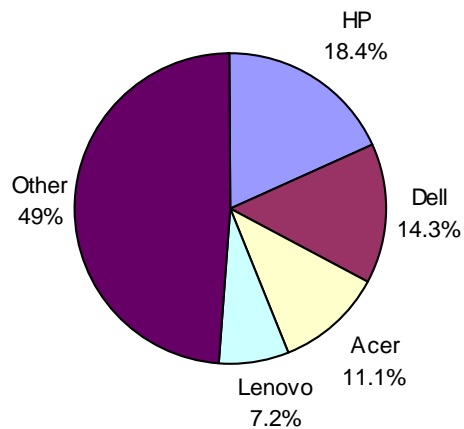
Table 5: Global PCs Market Share: % Share, by Volume, 2008

Company	% Share
HP	18.40%
Dell	14.30%
Acer	11.10%
Lenovo	7.20%
Other	49.00%
Total	100.0%

Source: Datamonitor

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Figure 5: Global PCs Market Share: % Share, by Volume, 2008



Source: Datamonitor

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CHAPTER 7 COMPETITIVE LANDSCAPE

The PC market will be analysed with manufacturers considered as market players and businesses and consumers as buyers. Major suppliers to PC manufacturers are electronic component manufacturers, including integrated circuit manufacturers.

Buyer power in the market is moderate due to several factors: highly differentiated products offered, presence of large corporations on buyers' side, and low switching costs, all increasing buyer power somewhat. Supplier power in the market is strong, as some suppliers have highly differentiated and essential products that others cannot offer. The threat of new entrants into the PC market is moderate, a compromise between high brand recognition in the market and strong market growth. The threat of substitutes is moderate, caused by new web enabled mobile phones and games consoles that fill the needs of some buyers as well as PCs do. However, PCs still have some functions that are not as easily or conveniently replaced by them. Rivalry in the market is moderate, as large competitors are faced with relatively high exit barriers, but still enjoying strong growth that leaves plenty of expansion room for all players.

There is considerable product differentiation within the market in terms of technical specification (e.g. memory size, processor speed), styling, and support services offered, which tends to decrease buyer power. However, there is little differentiation in the underlying architecture, with even Apple recently moving to the use of Intel's x86 processors. This pushes the market towards commodification and strengthens buyer power. For example, most PC software will run on PCs made by any player, so buyers are not locked in to any one manufacturer by switching costs associated with the need to purchase and learn new software. One exception to this is Apple computers that are designed for Mac operating systems, which are quite different from the rest. Switching costs associated with this are significant, because Apple users switching to Microsoft based computers need to relearn and vice versa. However, Apple computers still have quite small share of the Asia Pacific market. Although brand awareness is high, in general customers are more interested in the quality and specifications of individual products, and customer loyalty is therefore relatively low. Here again, there is a divide between Apple and Microsoft. There is also a possibility for more technologically savvy people to build their own computers from components, thus increasing buyer power. Nevertheless this requires special knowledge and is only an option to small minority of people. Overall, buyer power within the PC market is moderate.

The majority of components used in the manufacture of PCs display minimal differentiation between suppliers and in order to reduce costs are often sourced from companies operating from low cost manufacturing regions. PC manufacturers do not incur significant costs when switching suppliers of basic components and in such instances supplier power is low.

However, Intel, the leading manufacturer of CPUs, has considerable supplier power over PC manufacturers due to the substantial brand power of its products, which are incorporated into a large proportion of PCs on the market. In dominating the market in this fashion, Intel wields considerable supplier power and can charge PC manufacturers substantial licensing fees for the use of its brand name. In a similar fashion, Microsoft's dominance of the operating system market, grants it strong supplier power over PC manufacturers, which often provide Windows factory-installed. In the PC market, an original equipment manufacturer (OEM) typically outsources a large proportion of its manufacturing to electronic manufacturing services (EMS) and original design manufacturing (ODM) companies. Such contract production companies are key suppliers with heavy involvement in the production process, providing them with significant supplier power due to high switching costs for PC manufacturers. Overall, supplier power with respect to PC manufacturing is strong.

Although customer loyalty to specific manufacturers is relatively low, brand awareness is high, which somewhat restricts the entry of new players into the market. However, in lower income countries such as China and India, buyers are willing to compromise on perceived lower quality of unknown brands if the price is significantly lower. Capital outlay and fixed costs can be significant for OEMs intending to carry out manufacturing in-house, although situating these operations in low-cost regions such as Southeast Asia, or following the increasingly popular strategy of outsourcing to EMS/ODMs, can reduce these entry barriers. Strong growth in the market's revenues makes it attractive to new players. Overall, the threat of new entrants into the PC market is moderate.

The threat of substitutes within the PC market is moderate, with much of the functionality of modern PCs being unavailable through alternative means. However, one of the largest threats to the consumer PC market lies within the sphere of gaming, especially with respect to the next generation games consoles, whose increased specifications are attracting gamers away from the PC format. Mobile phones and similar hand-held devices with email and web browser capability can also replace much of the communication role of PCs.

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CHAPTER 8 LEADING COMPANIES

8.1 Hewlett-Packard Company

Table 6: Key Facts: Hewlett-Packard Company

Address:	3000 Hanover Street, Palo Alto, California 94304 1185, USA
Telephone:	1 650 857 1501
Fax:	1 650 857 5518
Website:	www.hp.com
Financial Year-End:	October
Ticker:	HPQ
Stock Exchange:	New York Stock Exchange

Source: Company Website

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Hewlett-Packard (HP) is one of the leading global providers of technology products, software, solutions and services. The company serves a broad range of customers including individuals, small and medium size businesses (SMBs) and large enterprises. Its wide range of offerings include PCs and related access devices; imaging and printing-related products and services; enterprise information technology (IT) infrastructure; and technology services. The company offers its products across the world, and operates development and manufacturing facilities in the US, the UK, Israel, Ireland, the Netherlands, China, India, Japan and Singapore.

HP operates through seven business segments: enterprise storage and servers (ESS), HP Services (HPS), HP Software, the personal systems group (PSG), the imaging and printing group (IPG), HP Financial Services (HPFS) and corporate investments. However, ESS, HPS and HP Software segments are reported collectively as the technology solutions group (TSG).

TSG provides servers, storage, software and IT services to enterprise and midmarket business customers. TSG's IT systems and services are primarily standards-based and feature differentiated technologies applicable in several areas, including power and cooling, unified management, security, virtualization and automation.

The ESS segment of the TSG provides a broad portfolio of storage and server solutions including industry standard servers, business critical systems and storage. The industry standard servers include primarily entry-level and mid-range ProLiant servers, which run mainly on Windows, Linux and Novell operating systems and use Intel and Advanced Micro Devices (AMD) processors. The business includes a range of product lines comprising pedestal-tower servers, density-optimized rack servers and HP's BladeSystem family of server blades.

The business critical systems include Itanium-based Integrity servers running on the HP-UX, Windows, Linux, OpenVMS and NonStop operating systems, including the high-end Superdome servers and fault-tolerant Integrity NonStop servers. The business critical systems also include the Reduced Instruction Set Computing (RISC)-based servers with the HP 9000 line running on the HP-UX operating system, HP AlphaServers running on both Tru64 UNIX and OpenVMS, and MIPs-based NonStop servers. The segment's storage offerings include StorageWorks including entry-level, mid-range and high-end arrays, storage area networks (SAN), network attached storage (NAS), storage management software and virtualization technologies, as well as tape drives, tape libraries and optical archival storage.

HPS segment provides a portfolio of multi-vendor IT services, including technology services, consulting and integration, and outsourcing services. It also offers a various services tailored to particular industries such as communications, media and entertainment, manufacturing and distribution, financial services, health and life sciences, and the public sector, including government services.

The segment provides a range of technology services from standalone product support to high-availability services for complex, global, networked, multi-vendor environments. The business also manages the delivery of product warranty support through its own service organization, as well as through authorized partners.

HPS provides consulting and integration services to architect, design and implement technology and industry-specific solutions for customers. It also provides cross-industry solutions in the areas of architecture and governance, infrastructure, applications and packaged applications, security, IT service management, information management and enterprise Microsoft solutions.

The segment offers various IT management and outsourcing services supporting the customers' infrastructure, applications, business processes, end user workplaces, print environments and business continuity and recovery requirements.

HP strengthened HPS services through the acquisition of EDS in 2008. As a result, EDS's business operations were added as a new business unit within HPS for financial reporting purposes in the fourth quarter of FY2008. EDS provides IT, applications, and BPO services to governments and commercial customers mainly in the manufacturing, financial services, healthcare, communications, energy, transportation, and consumer and retail industries.

HP Software segment offers enterprise and service provider software and services. Its portfolio consists of enterprise IT management software, information management and business intelligence solutions, and OpenCall Solutions.

The enterprise IT management software solutions, include support and professional services for managing IT infrastructure, operations, applications, IT services and business processes.

These solutions also include tools to automate data center operations and IT processes. The company markets these solutions as the HP Business Technology Optimization suite of products and services. It delivers these solutions in the form of traditional software licenses and, in some cases, through the Software as a Service (SaaS) distribution model.

The information management and business intelligence solutions include enterprise data warehousing, information business continuity, data availability, compliance and e-discovery products. These products can be used on both structured and unstructured data and information.

OpenCall is a suite of carrier-grade software platforms for service providers that enable them to develop and deploy next-generation voice, data and converged network services.

PSG is one of the leading providers of PCs in the world. The segment provides commercial PCs, consumer PCs, workstations, handheld computing devices, calculators, and other related accessories, software and services for the commercial and consumer markets. The segment is organized into two categories: commercial clients and consumer clients. The commercial clients include commercial desktops, commercial notebooks and workstations operations; and consumer clients include consumer desktop and consumer notebooks. The commercial and consumer PCs are based predominately on the Windows operating system and use Intel and AMD processors. The commercial PCs include primarily the HP Compaq business desktops, notebooks and Tablet PCs; the HP EliteBook line of Mobile Workstations and professional notebooks; HP Mini-Note PCs; HP Blade PCs; Retail POS systems; and the HP Compaq and Neoware Thin Clients. The consumer PCs include the HP Pavilion and Compaq Presario series of multimedia consumer desktops and notebooks, the HP Pavilion Elite desktops, HP HPDX Premium notebooks, Touchsmart PCs, and Voodoo Gaming PCs.

PSG also offers workstations, handhelds and digital entertainment products. It offers workstations running on both Windows and Linux-based operating systems. It provides a series of HP iPAQ Pocket PC handheld computing devices that run on Windows Mobile software. Its digital entertainment products span a range of products and product categories that allow customers to use a broad range of digital entertainment products, mainly targeting the intersection of the personal computing and consumer electronics markets.

The digital entertainment products include the Media Smart home servers, HD DVD and RW drives and DVD writers.

The IPG segment is one of the leading imaging and printing systems providers in the world for consumer and commercial printer hardware, printing supplies, printing media and scanning devices.

IPG is also focused on imaging solutions in the commercial markets, from managed print services solutions to addressing new areas in commercial printing and high-value pages in areas such as industrial applications, outdoor signage and the graphic arts business. The segment is organized into consumer hardware including inkjet printer units and retail products and services; commercial hardware including LaserJet and enterprise solutions and graphics solutions; and printer supplies.

The inkjet and web solutions unit offers consumer and SMB inkjet solutions, as well as retail and web businesses. It includes single function and all-in-one inkjet printers for consumers and SMBs as well as retail publishing solutions, Snapfish, and Logoworks.

LaserJet and enterprise solutions unit offers products and services to the enterprise segment. It includes LaserJet printers and supplies, Edgeline, scanners, enterprise software solutions such as Exstream Software and Web Jetadmin, managed print services products and solutions, and Halo telepresence.

Its graphics solutions include large format printing (Designjet, Scitex, ColorSpan and NUR), large format supplies, WebPress supplies, Indigo printing, specialty printing systems, inkjet high-speed production solutions and light production solutions. Its printer supplies include LaserJet toner; inkjet cartridges; graphic solutions ink products, including inks for large format, super-wide and digital press products; and other printing related media. These supplies include HP-branded Viverra and ColorSphere ink and HP Premium and Premium Plus photo papers.

HPFS provides a broad range of value-added financial life-cycle management services to support and enhance HP's global product and service solutions. The group offers leasing, financing, utility programs and asset recovery services, as well as financial asset management services, for global and enterprise customers. HPFS also provides an array of specialized financial services to SMBs and educational and governmental entities.

HP's corporate investments segment includes Hewlett-Packard Laboratories (HP Labs), and certain business incubation projects. It also comprises certain network infrastructure products, including Ethernet switch products under the brand ProCurve Networking. The segment also handles licensing of specific HP technology to third parties. HP Labs are located in Palo Alto, California; Beijing, China; Bangalore, India; Haifa, Israel; Tokyo, Japan; and Bristol, the UK.

Key Metrics

The company recorded revenues of \$118,364 million during the financial year ended October 2008 (FY2008), an increase of 13.5% over 2007. The increase in the company's revenue was mainly due to strong growth in international sales.

The operating profit of the company was \$10,473 million in FY2008, an increase of 20.1% over 2007. Its net profit was \$8,329 million in FY2008, an increase of 14.7% over 2007.

Table 7: Key Financials: Hewlett-Packard Company

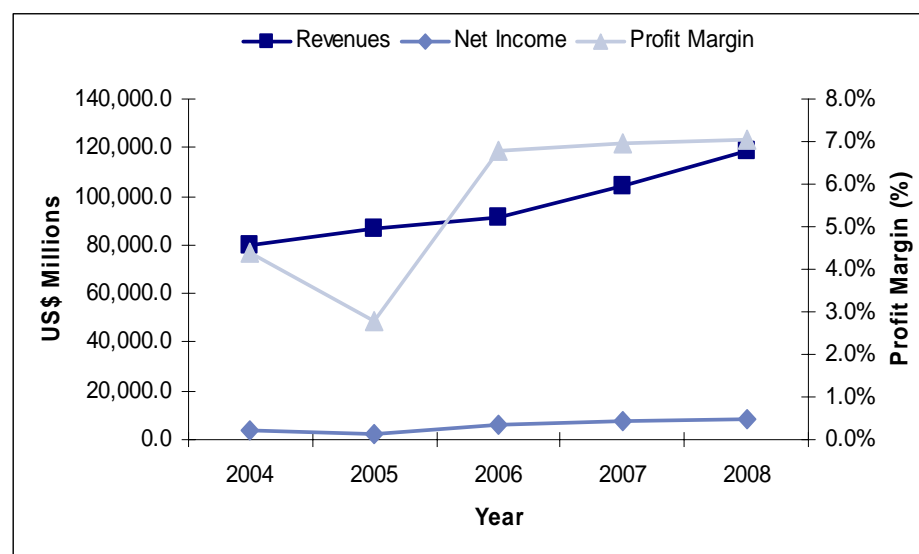
	2004	2005	2006	2007	2008
Revenues	79,905.0	86,696.0	91,658.0	104,286.0	118,364.0
Net Income	3,497.0	2,398.0	6,198.0	7,264.0	8,329.0
Profit Margin	4.4%	2.8%	6.8%	7.0%	7.0%
Total Assets	79,905.0	86,696.0	81,981.0	88,699.0	113,331.0
Total Liabilities	28,588.0	31,460.0	43,837.0	50,173.0	74,389.0
Employees	151,000	150,000	156,000	172,000	321,000

All in \$ millions, except for employee numbers and margins

Source: Company Filings

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Figure 6: Revenues & Profitability: Hewlett-Packard Company



Source: Company Filings

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8.2 Dell, Inc

Table 8: Key Facts: Dell, Inc

Address:	One Dell Way, Round Rock, Texas 78682, USA
Telephone:	1 512 338 4400
Fax:	1 512 283 6161
Website:	www.dell.com
Financial Year-End:	February
Ticker:	Dell
Stock Exchange:	NASDAQ

Source: Company Website

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Dell designs, develops, manufactures, markets, sells and supports information technology systems and services. The company's strategy over the years has been to offer products directly to large corporate, government and organizations as well as small to medium businesses and individual consumers. However, in recent years, the company has been employing indirect sales channels strategy by offering its products through large retailers in different countries. It operates across Americas; Europe, the Middle East and Africa (EMEA), and Asia Pacific regions.

Dell offers its products in six categories: desktop personal computers (PC), mobility products, software and peripherals, servers and networking, services, and storage. It also provides financing services for its customers.

The desktop computer product category offers three product lines: XPS, Alienware, OptiPlex, Inspiron, Vostro and Precision. The XPS and Alienware lines of products target customers requiring best experiences and designs available. The OptiPlex line allows business, government, and institutional customers manage their total cost of ownership by offering a portfolio of secure, manageable, and stable lifecycle products. The Inspiron line is designed for mainstream PC users requiring the latest features for their productivity and entertainment needs. The Vostro line is designed to provide technology and services to suit the specific needs of small businesses. Dell Precision desktop workstations are for professional users requiring performance from hardware platforms optimized and certified to run sophisticated applications.

The mobility products division offers notebooks under five lines: XPS, Alienware, Inspiron, Latitude, Vostro and Precision.

The XPS and Alienware lines of laptops are targeted at customers seeking the best experiences and designs available from sleek, elegant, thin, and light laptops to the highest performance gaming systems. The Inspiron line of laptops is designed for users seeking the latest technology and high performance in a stylish and affordable package.

The Latitude line allows business, government, and institutional customers manage their total cost of ownership through managed product lifecycles and the latest offerings in performance, security, and communications. The Vostro line can customize technology, services, and expertise to suit the specific needs of small businesses. The Precision line of mobile workstations is for professionals requiring performance to run sophisticated applications.

The software and peripheral division offers Dell-branded printers and displays as well as third-party peripheral products, including software titles, printers, televisions, laptop accessories, networking and wireless products, digital cameras, power adapters, scanners, and other products. The company offers a wide array of Dell-branded printers, ranging from ink-jet all-in-one printers for consumers to large multifunction devices for corporate workgroups. It has a broad line of branded and non-branded display products, including flat panel monitors and projectors. It also offers consumer monitor line-up with integrated camera and microphone. Its also sells a wide range of third-party software products, including operating systems, business and office applications, anti-virus and related security software, entertainment software, and products in various other categories.

The servers and networking division offers various servers and networking products. Its portfolio includes standards-based PowerEdge line of servers designed to offer performance, reliability, and scalability. It also offers customized Dell server solutions for very large data center customers. Its PowerConnect switches are used to connect computers and servers in small-to-medium-sized networks.

Dell's global services business offers a broad range of configurable IT services. Its service portfolio includes infrastructure consulting services, deployment services, asset recovery and recycling services, training services, support services and managed services. Its infrastructure consulting services allow customers to evaluate, design, and implement standards-based IT infrastructures. The deployment services facilitate the deployment of new systems, PCs, and TV's in customers' environments. Its asset recovery and recycling services offer a variety of flexible services for secure and environmentally safe recovery and disposal of owned and leased IT equipment. It offers various options, including resale, recycling, donation, redeployment, employee purchase, and lease return.

The company also offers training service to help customers develop the skills and knowledge of key technologies and systems. Its courses include hardware and software training as well as PC skills and professional development classes available through instructor-led, virtual, or self-directed online courses. The company also offers a suite of scalable support services designed for IT professionals and end-users. Its support services include warranty services and proactive maintenance offerings. These services are supported by the company's network of global command centers in the US, Ireland, China, Japan, and Malaysia.

It also offers a full suite of managed service solutions for companies intending to outsource IT management. It manages a portion of their IT tasks or provides an end-to-end solution.

Dell offers a portfolio of advanced storage solutions, including storage area networks (SAN), network-attached storage (NAS), direct-attached storage, disk and tape backup systems, and removable disk backup. Some of its offerings include Dell PowerVault, Dell EqualLogic, and Dell EMC storage systems.

The company also offers or arranges various customer financial services for its business and consumer customers in the US through Dell Financial Services, a wholly-owned subsidiary of Dell.

Over the years, Dell offered its products and services directly to customers through dedicated sales representatives, telephone-based sales and online at www.dell.com. However, in 2007, it began offering select products through indirect sales channels, such as retail stores, in several countries in the Americas, EMEA, and Asia Pacific regions. The company's strategic relationships with a various major retailers in larger geographic regions, include Staples, Wal-Mart and Best Buy in the US; Wal-Mart and Pontofrio (Latin America); Carphone Warehouse, Carrefour, Tesco and DSGi (EMEA); and Gome, HiMart, Courts and Bic Camera (Asia Pacific).

Key Metrics

The company recorded revenues of \$61,133 million during the financial year (FY) ended February 2008, an increase of 6.5% over 2007. The operating profit of the company was \$3,440 million in FY2008, an increase of 12.1% over 2007. Its net profit was \$2,947 million in FY2008, an increase of 14.1% over 2007.

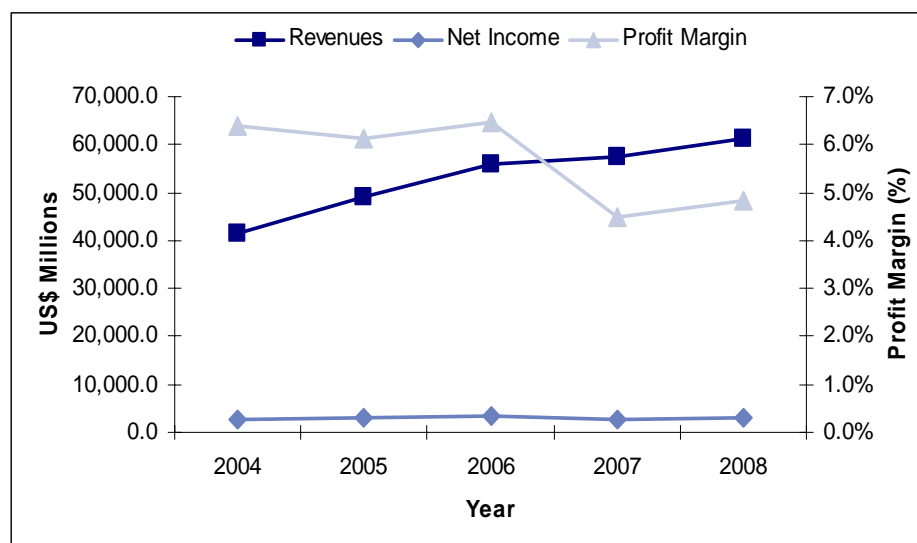
Table 9: Key Financials: Dell, Inc

	2004	2005	2006	2007	2008
Revenues	41,444.0	49,121.0	55,788.0	57,420.0	61,133.0
Net Income	2,645.0	3,018.0	3,602.0	2,583.0	2,947.0
Profit Margin	6.4%	6.1%	6.5%	4.5%	4.8%
Total Assets	19,311.0	23,215.0	23,252.0	25,635.0	27,561.0
Total Liabilities	13,031.0	16,730.0	19,205.0	21,196.0	23,826.0
Employees	46,000	55,200	65,200	83,000	76,500

All in \$ millions, except for employee numbers and margins

Source: Company Filings

DATAMONITOR

Figure 7: Revenues & Profitability: Dell, Inc

Source: Company Filings

DATAMONITOR

8.3 Acer Inc

Table 10: Key Facts: Acer Inc

Address:	8F 88 Section 1, Hsin Tai Wu Road, Hsichih, Taipei, Hsien 221, Taiwan
Telephone:	886 2 2696 1234
Fax:	886 2 2696 3535
Website:	www.global.acer.com
Financial Year-End:	December
Ticker:	2353
Stock Exchange:	Taiwan Stock Exchange

Source: Company Website

DATAMONITOR

Acer is one of the leading manufacturers of IT hardware products In the world and operates in Taiwan, Europe, Asia, and North America.

The company is structured as a single business segment and sells 'Acer' branded desktop personal computers (PCs), notebook PCs, and other related information technology (IT) products and services. The company offers two categories of products: personal computers and computer peripheral products.

The IT product range includes computers (desktops, notebooks, handhelds, and tablets), servers and storage products, cathode ray tube (CRT) monitors, liquid crystal display (LCD) monitors, peripherals, digital video disc (DVD) players, projectors, internet appliances (IA) and personal multimedia, LCD televisions (TV) and digital still cameras (DSC).

Acer provides two series of desktops: the commercial and consumer series. The commercial series desktops consists Veriton and AcerPower brands and the consumer series include the Aspire brand.

The notebooks provided by the company comprise four series: Aspire series, TravelMate series, Tablet PC series, and Ferrari series. The Tablet series is Acer's latest high-mobility solution, which easily switches between notebook and slate modes. Acer also provides handheld devices, which are designed to enhance business and personal productivity.

The servers and storage products are sold under the brand name Altos and Acer. The company also provides LCD and CRT monitors to its customers. The LCD monitors consist of series such as P series, X series, Ferrari series, Prestige line, Office line, Gamers line, Performance line, and value line.

The LCD TVs available from Acer are offered in sizes ranging from 20 inches to 42 inches. The DSCs provided by the company are sold under different series such as the Ultra slim series, Slim series, Performance series, Mainstream series, and Value series. Acer's services are based on the 'MegaMicro' business model, and defined by the company as a mega infrastructure that supports micro services. The services offered through this include e-Enabling Services Business, e-Enabling Information Platform Services, and Enterprise e-Caring Services. The company's e-Enabling offerings combine Acer's IT products and services, and are delivered through the company's infrastructure.

Apart from sales subsidiaries in around 60 countries, the company also has distributors in over 100 countries around the world. The company sells its products in major markets such as Europe, Asia-Pacific, and North America.

Key Metrics

The company recorded revenues of TWD 546,274 million (approximately \$17,311.3 million) during the financial year (FY) ended December 2008, an increase of 16.5% over 2007. The operating profit of the company was TWD 12,268 million (approximately \$388.7 million) in FY2008, an increase of 20.5% over 2007. Its net profit was TWD 11,742.1 million (approximately \$372.1 million) in FY2008, a decrease of 9.4% over 2007.

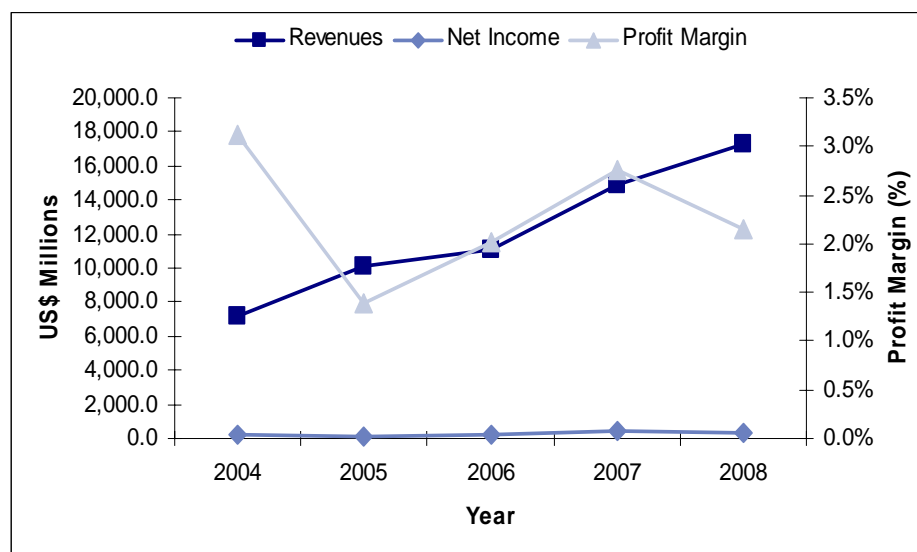
Table 11: Key Financials: Acer Inc

	2004	2005	2006	2007	2008
Revenues	7,130.7	10,080.2	11,117.3	14,865.4	17,311.3
Net Income	222.2	139.8	225.1	410.7	372.1
Profit Margin	3.1%	1.4%	2.0%	2.8%	2.1%
Total Assets	3,944.1	3,456.1	3,809.7	7,709.6	7,714.6
Total Liabilities	1,972.5	1,558.3	1,619.5	5,275.5	5,106.0

All in \$ millions, except for margins

Source: Company Filings

DATAMONITOR

Figure 8: Revenues & Profitability: Acer Inc

Source: Company Filings

DATAMONITOR

8.4 Lenovo Group Limited

Table 12: Key Facts: Lenovo Group Limited

Address:	1009 Think Place, Morrisville, Raleigh, North Carolina 27560, USA
Telephone:	1 866 458 4465
Fax:	1 877 411 1329
Website:	www.lenovo.com
Financial Year-End:	March
Ticker:	LNGVY / 0992
Stock Exchange:	Pinksheets / Hong Kong

Source: Company Website

DATAMONITOR

Lenovo is one of the leading providers of personal computers (PC). The group also provides a range of notebook computers and desktop computers. The group provides computer accessories and upgrades, computer software and services which includes services for small, medium and large businesses.

The group has research centers in Yamato, Japan; Beijing, Shanghai and Shenzhen, China; and Raleigh, North Carolina, the US. Lenovo has PC manufacturing and assembly facilities in Beijing, Shanghai, Huiyang and Shenzhen in China; Pondicherry and Baddi in India; Monterrey in Mexico; Legnica Special Economic Zone in Poland (ready by 2009). The group has its presence in North America, Latin America, Europe, Middle East, Africa, and Asia Pacific.

The group has adopted geographical segments as the primary reporting format and business segments as the secondary reporting format. The group has organized its business operations under four geographic divisions: greater China, Americas, Europe, Middle East and Africa, and Asia Pacific (excluding greater China). The company's secondary divisions include personal computer notebook, desktop and others.

The notebooks offered by the group include IdeaPad, ThinkPad and N Series. The desktops provided by Lenovo include IdeaCentre, ThinkCentre, H Series and alternative desktop computing. The alternative desktop computing includes secured managed client and thin client. ThinkStation D10 and ThinkStation S10 are the workstations provided by the company.

The group offers servers under the ThinkServer Systems. The servers offered include rack servers and tower servers. Along with the above product Lenovo also provides accessories and upgrades.

The accessories offered are batteries and power, carrying cases, docks and port replicators, keyboards and mice, monitors, storage among others. The software provided by the group includes ThinkVantage Technologies, Lenovo Integrated Software Solutions, and Software for home & business.

Lenovo has world class global contact center capabilities serving customers in more than 25 languages in their local geographies; more than 2,500 technical support agents in 18 service delivery centers leveraging a worldwide services supply chain and approximately 25,000 certified field technicians to simultaneously deliver millions of transactions in real time every month.

Key Metrics

Lenovo Group Limited generated revenues of \$3,209.1 million in the financial year ended March 2008, an increase of 12.1% compared to the previous year. The company's net income totaled \$95 million in fiscal 2008, an increase of 200.6% compared with 2007.

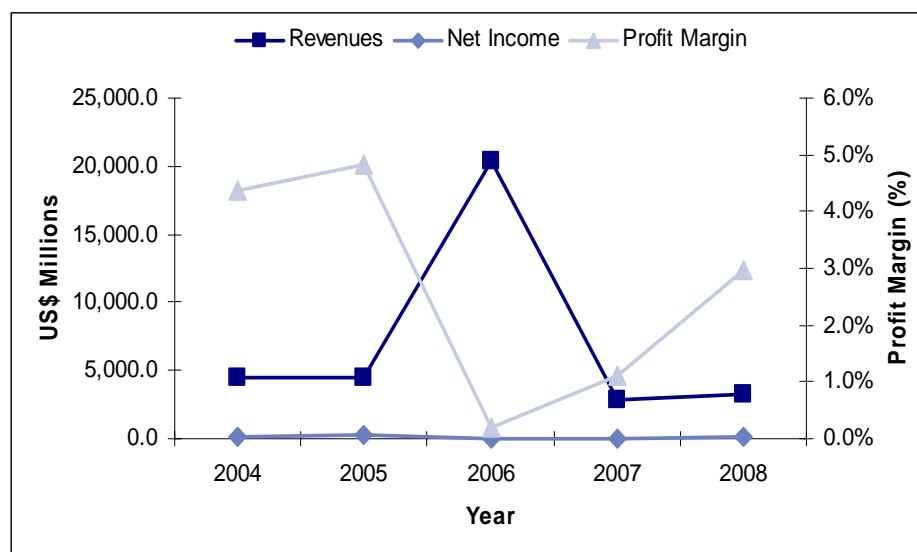
Table 13: Key Financials: Lenovo Group Limited

	2004	2005	2006	2007	2008
Revenues	4,548.3	4,426.4	20,321.9	2,863.3	3,209.1
Net Income	199.2	214.3	42.4	31.6	95.0
Profit Margin	4.4%	4.8%	0.2%	1.1%	3.0%
Total Assets	1,637.1	1,772.5	7,715.8	1,069.4	1,413.0
Total Liabilities	750.5	746.5	6,116.7	846.8	1,096.4
Employees	11,408	9,682	24,500	25,100	23,871

All in \$ millions, except for employee numbers and margins

Source: Company Filings

DATAMONITOR

Figure 9: Revenues & Profitability: Lenovo Group Limited

Source: Company Filings

DATAMONITOR

CHAPTER 9 MARKET FORECASTS

9.1 Market Value Forecast

In 2013, the global PCs market is forecast to have a value of \$260.9 billion, an increase of 28.1% since 2008.

The compound annual growth rate of the market in the period 2008-2013 is predicted to be 5.1%.

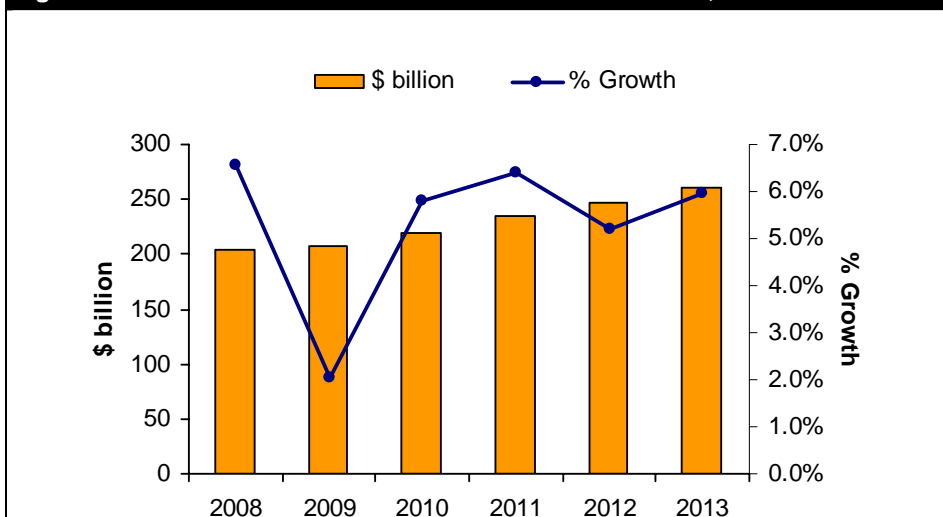
Table 14: Global PCs Market Value Forecast: \$ billion, 2008-2013

Year	\$ billion	% Growth
2008	203.7	6.60%
2009	207.9	2.00%
2010	220.0	5.80%
2011	234.0	6.40%
2012	246.2	5.20%
2013	260.9	6.00%
CAGR, 2008-2013:		5.1%

Source: Datamonitor

DATAMONITOR

Figure 10: Global PCs Market Value Forecast: \$ billion, 2008-2013



Source: Datamonitor

DATAMONITOR

9.2 Market Volume Forecast

In 2013, the global PCs market is forecast to have a volume of 309.8 million units, an increase of 36% since 2008.

The compound annual growth rate of the market volume in the period 2008-2013 is predicted to be 6.3%.

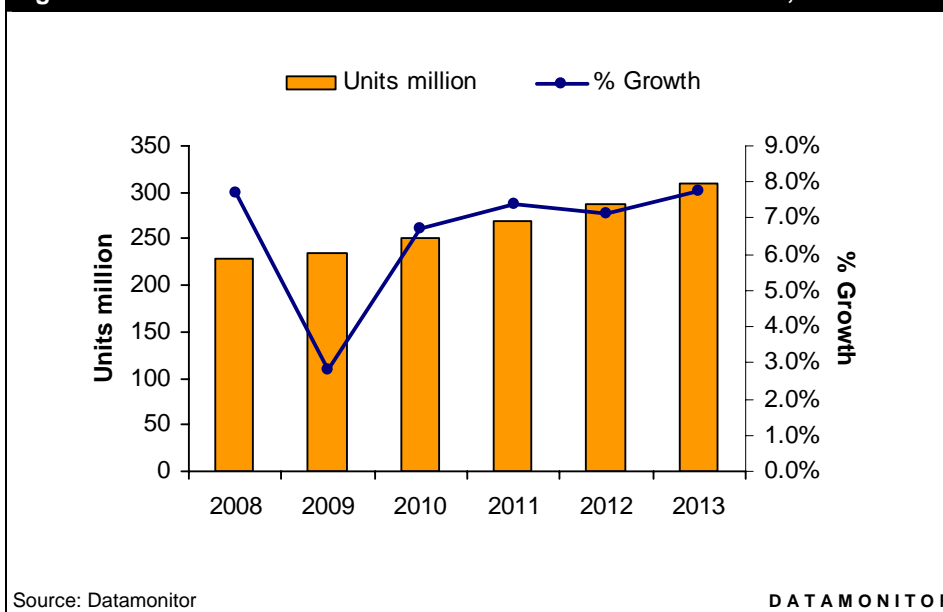
Table 15: Global PCs Market Volume Forecast: Units million, 2008-2013

Year	Units million	% Growth
2008	227.8	7.70%
2009	234.2	2.80%
2010	250.0	6.70%
2011	268.4	7.40%
2012	287.6	7.10%
2013	309.8	7.70%
CAGR, 2008-2013:		6.3%

Source: Datamonitor

DATAMONITOR

Figure 11: Global PCs Market Volume Forecast: Units million, 2008-2013



CHAPTER 10 APPENDIX

10.1 Methodology

Datamonitor Industry Profiles draw on extensive primary and secondary research, all aggregated, analyzed, and cross-checked and presented in a consistent and accessible style.

Review of in-house databases – Created using 250,000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, Datamonitor's in-house databases provide the foundation for all related industry profiles

Preparatory research – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview

Definitions – Market definitions are standardized to allow comparison from country to country. The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients

Extensive secondary research activities ensure we are always fully up-to-date with the latest industry events and trends

Datamonitor aggregates and analyzes a number of secondary information sources, including:

- National/Governmental statistics
- International data (official international sources)
- National and International trade associations
- Broker and analyst reports
- Company Annual Reports
- Business information libraries and databases

Modeling & forecasting tools – Datamonitor has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors

Continuous quality control ensures that our processes and profiles remain focused, accurate and up-to-date

10.2 Industry Associations

World Information Technology and Services Alliance
1401 Wilson Boulevard, Suite 1100, Arlington, VA 22209, USA
Tel: 1 703 284 5333
Fax: 1 703 525 2279
www.witsa.org

10.3 Related Datamonitor Research

Datamonitor Industry Profiles

PCs in Europe
PCs in Asia-Pacific
PCs in France
PCs in Germany
PCs in the United Kingdom
PCs in Japan
PCs in the United States
PCs in Italy
PCs in Spain
PCs in Canada
PCs in China